

INTRODUCTION TO THE LAKE BERRYESSA CONCESSION PROSPECTUS

The following Lake Berryessa Concession Prospectus (Prospectus) is being issued to solicit proposals from interested parties on the next term of concession contracts for the development, operation and maintenance of visitor services and facilities at Lake Berryessa, Solano Project, Napa County, California (Lake Berryessa). This Prospectus has changed from the previously issued Prospectus to better reflect Reclamation Directives and Standards and authorities. **Offerors are cautioned to not utilize any of the sections or wording from the June 1, 2007 prospectus, but to rely only on the wording and stipulations of this Prospectus.**

The Prospectus outlines business opportunities for six concession areas at Lake Berryessa to be provided by private individuals or companies in compliance with the Reclamation's Record of Decision (ROD) for the Future Recreation Use and Operations of Lake Berryessa dated June 2, 2006. The ROD culminated a long-term visitor services planning (VSP) process that began in June 2000. Concession operations as identified herein will also be in compliance with Reclamation's Concession Policy and Directives and Standards (see PART 6-Exhibit L in this Prospectus) as well as all applicable local, State of California, and Federal laws and regulations. A summary of waivers and exceptions from Reclamation Directives and Standards applicable to this Prospectus is included in Exhibit L.

The concession history at Lake Berryessa since 1959 and the issues that culminated the previous nine (9) years of planning, completion of an Environmental Impact Statement, and the ROD as well as the expiration of the existing six concession contracts at Lake Berryessa (December 1, 2007, through May 26, 2009) make this Prospectus a unique document different in many ways from standard or traditional Prospectuses that Offerors may have previously seen.

Typically throughout the agencies within the Department of the Interior, concession contracts in management areas expire singly, and when the Prospectus for the next contract is issued, interested parties may submit offers in response to the identified business opportunity. On average, the concession operations (services and facilities) being renewed have only a few changes from the expiring contract. In many ways, because of the significant changes mandated by the ROD, the concession opportunities at Lake Berryessa will result in new operations and a different commercial focus to the extent that visitor use patterns and the character of operations will be very different than they have been since the current contracts were authorized in 1958-1962.

This Prospectus differs from typical prospectuses as normally they provide very little flexibility to Offerors in regard to what will be the primary services, facilities and core business offered in a particular location. The Draft Concession Contract presented in most prospectuses is a 99-percent complete document with few options for Offerors to explore. The major reason for this is because few changes are desired or authorized from the business model of the existing contract and the managing agency has already determined most of the terms and conditions desired in a new contract. Offerors are normally able to exercise their creativity and individual approaches within very small parameters outlined in the prospectus, and the managing agency makes a selection of a winning Offeror based upon these often-subtle variances proposed by Offerors in their offers.

At Lake Berryessa, all the facilities and services provided through the seven previous and existing contracts have been re-described, through the identified planning process, in a manner that will result in business models and operations extremely different from the historical Lake Berryessa concession operations. Furthermore, the plan and the associated ROD purposefully described the new operations in a somewhat global approach that provides a very flexible and many-faceted set of business opportunities

for Offerors wishing to compete for a concession contract(s). This Prospectus therefore places a high premium on creativity by the Offerors because there are many options available for them to work within.

The Environmental Impact Statement (EIS)/ROD and this Prospectus do provide parameters of acceptable operations for providing services and facilities to the public at Lake Berryessa but with significant leeway for Offerors to exercise their professional creativity. Reclamation views this approach as a positive opportunity to benefit from the combined knowledge and experience of many Offerors. In this way, Reclamation management will be able to consider varying approaches for the six concession areas.

Reclamation will select successful Offerors based in part upon the proposal(s) that appears to have the most reasonable approach for: (1) serving the public's demand for quality water-based recreation support services and facilities, (2) protecting the environment, (3) responding positively to the 'Principal Factors' and 'Criteria' outlined in PART 5 of the Prospectus, and (4) introducing an integrated business approach as identified in Sec. [III.1.a] of the ROD and in PART 5 of this Prospectus, all while demonstrating a well-developed financial projection for a reasonable profit.

It is important for all Offerors to this Prospectus to realize that when reviewing and evaluating the proposals, Reclamation anticipates there will be significant differences in how various companies/individuals view the future mix of services and facilities at Lake Berryessa. The opportunity for bids to vary greatly in their proposed business models and configuration is an obvious aspect of this flexible competitive Prospectus approach.

Furthermore all Offerors are on notice that Reclamation intends to make any selection of a winning proposal(s) to be conditional pending final negotiations and clarifications of an eventual concession contract, with that Offeror(s), to ultimately reflect facilities and services deemed necessary and appropriate by Reclamation. Although Reclamation welcomes the creative opportunities of the open and flexible nature of this Prospectus, that same openness and limited specificity of the 'Draft Contract' requires this conditional approach to effectively address various proposed components that may be incomplete or otherwise awkward. See Section K.2 of PART 3 of this Prospectus for additional explanation of this conditional selection.

Offerors need to pay very close attention to the directions and options presented in this Prospectus and not assume that Reclamation will consider information or facts not provided in the proposal as apparent or qualifying. Similarly, Reclamation will not give credit for beneficial conditions or experience that exists, even if Reclamation is wholly or partially aware, if it is not otherwise identified in the bid package submitted in response to this Prospectus.

Even if you have submitted proposals and competed for other recent concession opportunities with Reclamation, the NPS, or other agencies, it is critical that you recognize the differences in this Prospectus including but not limited to the following factors:

- **Flexible contract terms and conditions depending upon individual proposals (see PART 4 Subsection M).**
- **Opportunity for Offerors to compete for a single or multiple contracts (see PART 3 Subsection O for more details).**
- **Offerors should assume that any facilities at the sites will be removed for the purposes of developing their proposals, except as noted below.**
- **Offeror may be able to identify the existing facilities they propose to retain and purchase at Markley Cove with Reclamation approval (see PART 3 Subsection L).**
- **The eventual services to the public for individual contracts will be determined based upon the evaluation of the specific bids received (See PART 5 Principal Factor 2).**

- **Level of investment (Concession Contractor Facility Improvement Program, i.e., what will be built new) (PART 6 Exhibit H).**
- **Offerors to propose and justify the franchise fees due the Government though a 1% franchise fee is a minimum (higher percentages will always be considered superior in analyzing similar bids but return to the Government is only one of several determinants)(See PART 5 Principal Factor 5).**

Throughout this Prospectus you will see references to ‘a proposal’, ‘a bid’ or ‘an Offeror’ or ‘an offer’ or ‘an Offeror’ and perhaps some other similar words that describe the individual or company that is submitting a response to the Prospectus. Efforts have been made to use the correct plural tense in recognition of the six different concession opportunities presented by this Prospectus; however, it is likely that because of the frequency of use of these terms and the fact that most Prospectuses are for a single opportunity, the correct tense may not always be present. Offerors should recognize that any reference to a single proposal, bid, Offeror, offer, Offeror, etc. is also applicable in the plural. The eventual number of concession contracts at Lake Berryessa is not now known and will remain unknown until the final selection of the best proposal(s) in response to this Prospectus. It could be as few as one and as many as six.

Offerors will also notice throughout the Prospectus various references to an Offerors ‘unique proposal’ or ‘unique bid.’ This use of the word ‘unique’ is only meant to note that due to the flexible nature of this Prospectus, each individual proposal package is ‘unique’ and perhaps without many similarities to other proposals. The term is not meant to refer in any way to positive aspects of any particular proposal.